

**BLOCKCHAIN WORLDWIDE PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**

**Company Number: 10621059**

**BLOCKCHAIN WORLDWIDE PLC**  
**REPORT AND FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**BLOCKCHAIN WORLDWIDE PLC**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**Directors**

R Sargent  
J Hale

**Secretary**

R Sargent

**Registered Office**

4<sup>th</sup> floor  
43-44 Albemarle Street  
London  
England  
W1S 4JJ

**Company number**

10621059

**Auditors**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

# **BLOCKCHAIN WORLDWIDE PLC**

## **CHAIRMAN'S STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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I am pleased to present the audited results for the year ended 30 June 2019.

#### **BUSINESS REVIEW**

During the year, Blockchain Worldwide Plc recorded a loss of £379,458 (17 months ended 30 June 2018: £82,251) and the loss per share was 1.04p (2018: 0.38p). The vast majority of this was due to the aborted Chorum acquisition, as outlined below.

The company held cash reserves at the period end of over £1m (2018: £1.4m) with no debt financing (2018: none).

On 7 November 2018, Blockchain announced the proposed acquisition of Chorum Group Limited ('Chorum'), subject to due diligence and a successful fundraise. The company's shares were suspended pending the outcome of this process. On 8 February 2019, the company announced it had withdrawn from the proposed acquisition of Chorum due to greatly reduced levels of activity in London's equity markets.

The company's investment criteria was extended to include high growth opportunities within the wider technology sector, including the blockchain industry. The shares were re-listed on 13 February 2019.

On 23 May 2019, the company announced it had made a non-legally binding offer to acquire the entire issued share capital of Entertainment AI, Inc, an artificial intelligence and machine learning focused company operating in the media space (the 'Acquisition'). The Acquisition is subject to, amongst other things, legal, financial and other due diligence, entry into a legally binding acquisition agreement and certain shareholder approvals being obtained. Completion of the Acquisition would amount to a reverse takeover under the Listing Rules

As Blockchain was unable to provide full disclosure in relation to the target company, its share listing was suspended with immediate effect. Listing of the company's ordinary shares will remain suspended until such time as either: the company publishes a prospectus or a restoration request has been submitted and approved by the FCA. Should the company publish an AIM admission document relating to the Acquisition, the company's ordinary shares will remain suspended until cancellation, after which time they are expected to be admitted to trading on AIM.

#### **Outlook**

The proposed acquisition of Entertainment AI has progressed significantly since May 2019. I hope that a further update can be given to shareholders in early September 2019

**Jon Hale**  
**Chairman**

**30 August 2019**

## **BLOCKCHAIN WORLDWIDE PLC**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present the Strategic Report for the year ended 30 June 2019.

#### **RESULTS**

The company made a loss for the period of £379,458 (2018: loss of £82,251).

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

Information on the company's activities is contained in the Chairman's Statement on page 2.

#### **KEY PERFORMANCE INDICATORS**

The board seeks to maximise share value by investing in businesses with high growth potential. When an investment has been identified, the board will assess it against a number of KPIs to assess its suitability.

#### **PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT**

##### **Capital risk management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to the shareholders. It is the current strategy of the company to finance its activities from existing equity and reserves and by the issue of new equity whenever required.

##### **Financial risk management**

The directors consider the company to be exposed to the following financial risks:

- a. Price risk: the price paid for securities is subject to market movement that will have an impact on the operations of the company.
- b. Cash flow interest rate risk: the company has significant cash balances which exposes it to movements in the market interest rates.
- c. Liquidity risk: the Company manages its cash requirements in order to maximise interest income.

Given the relatively small sized and operation of the company in the period, the directors have not delegated the responsibility of risk monitoring to a sub-committee of the board, but will closely monitor the risks on a regular basis. The directors consider their exposure in the financial period to have been low.

**Rodger Sargent**  
**CEO**  
**30 August 2019**

# **BLOCKCHAIN WORLDWIDE PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present their report together with the financial statements for the year ended 30 June 2019.

#### **PRINCIPAL ACTIVITY**

Blockchain Worldwide Plc is seeking to undertake an acquisition within the blockchain and high growth technology industry.

#### **RESULTS AND DIVIDENDS**

The loss before and after taxation for the year was £379,458. The directors do not recommend payment of a dividend.

#### **DIRECTORS**

The directors who served the company during the year and to the date of these financial statements were:

R Sargent  
J Hale

The directors of the company held the following interests in the shares of Blockchain Worldwide Plc at 30 June 2019:

Directly and indirectly held by the directors:		
R Sargent	775,000	2.1%
J Hale	1,550,000	4.2%

#### **DIRECTORS' REMUNERATION**

This report is submitted in accordance with Schedule 8 of the Large and Medium sized Companies (Accounts and Reports) (Amendment) Regulations 2013 in respect of the year ended 30 June 2019. The reporting requirements entail two sections to be included, a Policy Report and an Annual Remuneration Report which are presented below.

The company's auditor, Haysmacintyre LLP, is required to give its opinion on certain information included in this report, this comprises the directors' Remuneration and the information on directors' shareholdings which is detailed above and also forms part of this directors' remuneration report. Their report on these and other matters is set out on pages 8 to 12.

The company's directors as a whole considers directors' remuneration and has not sought advice or services from any person in respect of its consideration of directors' remuneration during the period although the directors expect from time to time to review the fees against those paid to boards of directors of comparable organisations and appointments.

The directors received no remuneration. This will continue until the first investment is made, and will then be reconsidered.

## **BLOCKCHAIN WORLDWIDE PLC**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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#### **SUBSTANTIAL SHAREHOLDING**

On 30 June 2019, the following interests in 3% or more of the issued share capital appear in the register:

Hargreaves Lansdown	4,757,955	13.0%
Interactive Investor	3,733,108	10.2%
Canaccord Genuity Wealth Management	3,400,000	9.3%
Mohamed Patel	1,800,000	4.9%
Courtney Investments	1,680,000	4.6%
Jon Hale	1,550,000	4.2%
Mr A N Headley	1,250,000	3.4%

On 30 August 2019, the following interests in 3% or more of the issued share capital appear in the register:

Hargreaves Lansdown	4,757,955	13.0%
Interactive Investor	3,733,108	10.2%
Canaccord Genuity Wealth Management	3,400,000	9.3%
Mohamed Patel	1,800,000	4.9%
Courtney Investments	1,680,000	4.6%
Jon Hale	1,550,000	4.2%
Mr A N Headley	1,250,000	3.4%

#### **CORPORATE GOVERNANCE**

As a company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Although the company does not comply with the UK Corporate Governance Code, the company intends to have regard for the provision of the QCA Corporate Governance Code insofar as is appropriate, save as set out below:

Until an acquisition is made the company will not have nomination, remuneration, audit or risk committees. The board as a whole will instead review its size, structure and composition, the scale and structure of the directors' fees (taking into account the interests of Shareholders and the performance of the company), take responsibility for the initial appointment of auditors and payment of their audit fee, monitor and review the integrity of the company's financial statements, the Board's performance and take responsibility for any formal announcements on the company's financial performance. Following an acquisition the Board intends to put in place nomination, remuneration and audit and risk committees. The Board has adopted the Model Code for directors' dealings contained in the Listing Rules of the UK Listing Authority. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

The Directors are responsible for internal control in the company and for reviewing its effectiveness. Due to the size of the company, all key decisions are made by the board in full. The directors have reviewed the effectiveness of the company's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to the weakness in the controls. The board do not consider the internal audit function to be necessary due to the company being a special purpose acquisition company.

## **BLOCKCHAIN WORLDWIDE PLC**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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#### **GOING CONCERN**

The directors have assessed the company's position as at 30 June 2019 and for the following 18 month period, and consider it appropriate to prepare the financial statements on a going concern basis. There are cash reserves of over £1m as at 30 June 2019 which the directors consider sufficient to ensure that the company will be able to continue to meet its commitments as they fall due for at least twelve months from the date of approval of the financial statements.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare company financial statements for each financial year. Under that law the directors are required to prepare the company financial statements in accordance with IFRS's as adopted by the EU.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing the company financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS's as adopted by the EU subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the company and to prevent and detect fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report to comply with that law and those regulations. In determining how amounts are presented within terms in the income statement and statement of financial position the directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the company's auditor is unaware: and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.



**BLOCKCHAIN WORLDWIDE PLC**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

A resolution to re-appoint Haysmacintyre LLP as auditors will be presented to the members at the Annual General Meeting in accordance with Section 485(2) of the Companies Act 2006.

**Rodger Sargent**  
**On behalf of the Board**

**30 August 2019**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BLOCKCHAIN WORLDWIDE PLC**

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#### **Opinion**

We have audited the financial statements of Blockchain Worldwide Plc (the 'company') for the period ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of the company's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF BLOCKCHAIN WORLDWIDE PLC

	<b>The risk</b>	<b>Our response to the risk:</b>
<b>Going concern</b>	At the planning stage we identified that there was a risk that the going concern basis of preparation may not be appropriate. Ongoing losses within the company indicate a potential risk that the company is not going concern.	<p>As described in the accounting policies (see note 2) the directors' have concluded that the company is a going concern.</p> <p>We understand that the company is currently looking at a potential acquisition of a trading business. The directors believe that the company will have sufficient cash for the foreseeable future as they will be raising additional funds to fund the acquisition. Should the acquisition not go ahead, the directors consider that the level of cash in the business will be sufficient to fund the ongoing operations.</p> <p>We reviewed the forecasts and correspondence regarding the proposed acquisition.</p>
	<b>Key observations communicated to the Audit Committee</b>	
	The financial statements have been prepared on a going concern basis and our testing did not identify any reasons to suggest the company is not a going concern.	
<b>Understatement of creditors</b>	Due to the aborted transaction during the year and the prospective post year-end acquisition which was first announced in May 2019, we identified there to be a risk that costs associated with these two transactions, have not been appropriately recognised or accrued for.	<p>We reviewed and challenged post year-end invoices and bank statements for evidence of unidentified accruals.</p> <p>We reviewed contracts with service providers expected to work on the acquisition to understand whether any costs have been incurred as at the year-end.</p> <p>We performed supplier circularisation, writing to professional advisors confirming balances and unbilled WIP.</p>
	<b>Key observations communicated to the Audit Committee</b>	
	We did not identify any non-trivial costs which should have been recognised in the year. We understand that for the proposed acquisition, the company agreed with service providers that any financial obligation falls due only on completion of a successful transaction. We reviewed expected and actual costs for the aborted transaction in the year and did not identify any costs which should be accrued for as at the year-end.	

#### **Our application of materiality**

The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. For the purpose of this audit, a materiality level of 2% of gross assets was utilised being £24,000. Performance materiality was set at 75% of materiality. Any misstatements identified above 5% of materiality and not adjusted were reported to the directors as unadjusted misstatements. Materiality was based on gross assets as the company currently holds cash and is looking for investment opportunities.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF BLOCKCHAIN WORLDWIDE PLC

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#### **An overview of the scope of our audit**

The scope of the audit has been tailored to the company. The audit work covered total expenditure, total assets, liabilities and equities. We considered the accounting processes and controls and the industry in which the company operates. The company is currently seeking investment opportunities and hence our audit work focussed on professional services fees and potential liabilities.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements; and
- the Directors' Remuneration report has been properly prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative to do so.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BLOCKCHAIN WORLDWIDE PLC**

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the Companies Act 2006, the Listing Rules and the UK Corporate Governance Code.
- We understood how the Group is complying with those frameworks through discussions with the Audit Committee and management in combination with a review of the Group's documented policies and procedures.
- We assessed the susceptibility of the Group's financial statements to material misstatement including how fraud might occur by considering the key risks impacting the financial statements. Given the activities of the Group, we consider management override as being most likely to occur in the understatement of creditors, our procedures in this regard are stated in the Key Audit Matter above.
- We have reviewed that the Group's control environment is adequate for the size and operating model of such a listed Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Other matters we are required to address**

We were appointed by the directors on 20 August 2018 to audit the financial statements for the period ending 30 June 2018. Our total uninterrupted period of engagement is 2 years, covering the periods ending 30 June 2018 to 30 June 2019.

During the year we were engaged as reporting accountants on a prospective transaction which was subsequently aborted. We were engaged to report on the company raising additional funds on the stock market to acquire a trading company as part of a reverse acquisition. The transaction was aborted, and we were paid fees totaling £40,000 plus VAT in respect of our work.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BLOCKCHAIN WORLDWIDE PLC**

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#### **Use of this report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Ian Cliffe**  
**Senior Statutory Auditor**  
**for and on behalf of Haysmacintyre LLP**  
**Statutory Auditors**

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

**Date: 30 August 2019**

**BLOCKCHAIN WORLDWIDE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	17 months to 30 June 2018 £
Turnover		-	-
Administrative expenses		(385,792)	(84,671)
<b>OPERATING LOSS</b>	4	<u>(385,792)</u>	<u>(84,671)</u>
Interest income		6,334	2,420
<b>LOSS FOR THE PERIOD BEFORE TAXATION</b>		<u>(379,458)</u>	<u>(82,251)</u>
Taxation	7	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(379,458)</u></u>	<u><u>(82,251)</u></u>
<b>BASIC AND DILUTED LOSS PER SHARE (PENCE)</b>		<u>1.04</u>	<u>0.38</u>

There was no other comprehensive income in 2019 (2018: Nil).

The notes on pages 17 to 23 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 £	2018 £
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,018,415	1,412,288
<b>TOTAL ASSETS</b>		<u>1,018,415</u>	<u>1,412,288</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	(25,994)	(40,409)
<b>NET ASSETS</b>		<u>992,421</u>	<u>1,371,879</u>
<b>EQUITY</b>			
Share capital	10	365,000	365,000
Share premium account	10	1,089,130	1,089,130
Retained losses		(461,709)	(82,251)
<b>TOTAL EQUITY</b>		<u>992,421</u>	<u>1,371,879</u>

These financial statements were approved by the Board of Directors on 30 August 2019 and were signed on its behalf by:

.....  
**Rodger Sargent (CEO)**

The notes on pages 17 to 23 form part of these financial statements.



**BLOCKCHAIN WORLDWIDE PLC****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 JUNE 2019**

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	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Retained Losses £</b>	<b>Total Equity £</b>
On incorporation	-	-	-	-
Loss for the period and total comprehensive loss	-	-	(82,251)	(82,251)
Share issue	365,000	-	-	365,000
Share premium (net of issue costs)		1,089,130		1,089,130
Balance at 30 June 2018	<u>365,000</u>	<u>1,089,130</u>	<u>(82,251)</u>	<u>1,371,879</u>
Loss for the period and total comprehensive loss	-	-	(379,458)	(379,458)
Balance at 30 June 2019	<u><u>365,000</u></u>	<u><u>1,089,130</u></u>	<u><u>(461,709)</u></u>	<u><u>992,421</u></u>

Share premium is stated net of issue costs of £170,870 (2018: £170,870).

The notes on pages 17 to 23 form part of these financial statements.

**BLOCKCHAIN WORLDWIDE PLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2019**

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	Note	2019 £	17 months to 30 June 2018 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss after taxation			(82,251)
		(379,458)	
<i>Adjustments for:</i>			
Interest income		(6,334)	(2,420)
(Increase)/Decrease in trade and other payables		(14,415)	40,409
		<u>(400,207)</u>	<u>(44,262)</u>
<b>NET CASH OUTFLOW USED IN OPERATING ACTIVITIES</b>			
Interest income		6,334	2,420
Issue of shares (net of issue costs)		-	1,454,130
		<u>6,334</u>	<u>1,456,550</u>
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>			
		<u>(393,873)</u>	<u>1,412,288</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents brought forward		1,412,288	-
		<u>1,018,415</u>	<u>1,412,288</u>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		<u><u>1,018,415</u></u>	<u><u>1,412,288</u></u>

There was no debt in the company for the year (2018: no debt).

The notes on pages 17 to 23 form part of these financial statements.

# BLOCKCHAIN WORLDWIDE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1. GENERAL INFORMATION

Blockchain Worldwide Plc is a public limited company registered and incorporated in the England and Wales. The company's principal activities are described in the Directors' Report. The company's registered office and principal place of business is 4<sup>th</sup> floor, 43-44 Albemarle Street, London, England, W1S 4JJ. The company's registered number is 10621059.

#### 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the company are presented below under 'Statement of Compliance'.

##### **Statement of compliance**

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)

The implementation of this standard is not expected to have any material effect on the company's financial statements. The company has assessed the impact of implementing the above standard on the financial statements, there is no impact in the current period.

##### **Going Concern**

The directors have assessed the company's position as at 30 June 2019 and for the following 18 month period and consider it appropriate to prepare the financial statements on a going concern basis. There are cash reserves of over £1m as at 30 June 2019 which the directors consider sufficient to ensure that the company will be able to continue to meet its commitments as they fall due for at least twelve months from the date of approval of the financial statements.

##### **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The directors are of the opinion that the company is not currently engaged in any more than a single sector as it has not yet traded and has incurred only set up fees and the costs of running a business for the period. Accordingly, no segmental analysis is considered necessary. The company is based in the United Kingdom.

## **BLOCKCHAIN WORLDWIDE PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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## **2. ACCOUNTING POLICIES (continued)**

### **Expenses**

All expenses are accounted for on an accruals basis and are presented through the Statement of Comprehensive Income.

### **Taxation**

Current taxation is the taxation currently payable on taxable profit for the year.

### **Trade and other receivables**

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

### **Cash and Cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

### **Financial instruments**

The company's financial assets comprise cash and cash equivalents.

The company's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes a party to the contractual provisions of the instruments.

### **Equity**

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Retained losses" represents cumulative net gains and losses recognised in the Statement of Comprehensive Income

### **Critical Accounting Estimates and Judgements**

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The directors consider the only area subject to estimation and judgement to be accrued costs. The directors' have reviewed contracts and ongoing projects with major suppliers and accrued any costs they believe relate to the year ended 30 June 2019. This area is reviewed on a regular basis to ensure that to the best of their knowledge, the appropriate costs have been recognised in the income statement.

# BLOCKCHAIN WORLDWIDE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 3. SEGMENTAL INFORMATION

The company is organised around one business class and the results are reported to the Chief Operating Decision Maker according to this class. There is one continuing class of business, being the seeking of investments in line with the company's investment strategy.

Given that there is only one continuing class of business, operating within the UK, no further segmental information has been provided.

4. EXPENSES BY NATURE	2019	17 months to 30 June 2018
	£	£
Legal and professional	317,120	23,939
Bank charges	420	443
Administrative expenses	68,252	60,289
	<u>385,792</u>	<u>84,671</u>

#### 5. STAFF COSTS

Staff costs for all employees, including directors, were £nil (2018: £nil) and therefore remuneration of key management personnel was £nil (2018: £nil). The average monthly number of employees during the year, including directors, was 2 (2018: 2).

6. AUDITOR'S REMUNERATION	2019	17 months to 30 June 2018
	£	£
During the year the company obtained the following services from the company's auditor:		
Fees payable to the company's auditors for the audit of the company's annual accounts	15,000	13,200
Fees payable to the company's auditors for other services:		
Other services pursuant to legislation	48,000	12,600
	<u>63,000</u>	<u>25,800</u>

**BLOCKCHAIN WORLDWIDE PLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2019****7. TAXATION**

Due to tax losses sustained there was no corporation tax payable by the company in the period (2018: £nil). The tax charge for the year is different from the standard rate of corporation tax in the United Kingdom. The difference is reconciled as follows: -

	<b>2019</b>	<b>17 months to 30 June 2018</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(379,458)	(82,251)
Loss on ordinary activities at the effective rate of corporation tax of 19%	72,097	15,628
Expenses not deductible	-	-
Losses not utilised	(72,097)	(15,628)
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised as the directors cannot be certain that future profits will be sufficient for this asset to be realised.

**8. CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank	1,018,415	1,412,288

The directors consider that the carrying amount of cash and cash equivalent represents their fair value.

**9. TRADE AND OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade payables	5,994	11,967
Accruals	20,000	28,442
	<u>25,994</u>	<u>40,409</u>

The fair value of trade and other payables is considered by the directors not to be materially different to carrying amounts.

**BLOCKCHAIN WORLDWIDE PLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2019**

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<b>10. ISSUED SHARE CAPITAL</b>	<b>2019</b>	<b>2018</b>
<b>Number of Shares</b>	36,500,000	36,500,000
<b>Nominal Value (£)</b>	365,000	365,000
<b>Share Premium (£)</b>	1,089,130	1,089,130

Share premium is stated net of issue costs of £170,870 (2018: £170,870). Included within these costs is a share-based payment expense recognised against share premium for the year end 30 June 2019 was £nil (2018: £75,000).

Fully paid ordinary shares, which have a par value of 1p, carry one vote per share and rank equally in respect of dividends.

<b>Reserve</b>	<b>Description and Purpose</b>
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained Losses	Cumulative net gains and losses recognised in the income statement.

**Capital management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. It is the current strategy of the company to finance its activities from existing equity and reserves and by the issue of new equity as required.

The board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The board manages the company's affairs to achieve shareholders returns through capital growth and income.

The company is not subject to externally imposed capital requirements.

**11. LOSS PER SHARE**

The calculation of loss per ordinary share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loss before tax	(379,458)	(82,251)
Weighted Average number of shares	36,500,000	21,516,000
Basic and diluted earnings per share 2019	(1.04p)	(0.38p)

There is no difference between the basic and diluted loss per share.

# BLOCKCHAIN WORLDWIDE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 12. NET ASSET VALUATION

The net asset valuation per share is calculated by dividing the net assets attributable to the equity holders of the company at the end of the reporting period by the number of shares in issue.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net assets	992,421	1,371,897
Number of ordinary shares in issue	36,500,000	36,500,000
Net asset valuation per share	2.7p	3.8p

#### 13. FINANCIAL INSTRUMENTS

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow interest rate risk and equity price risk.

Risk management is carried out by the board of directors.

##### (a) Capital management

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the company's growth; and
- to provide capital for the purpose of strengthening the company's risk management capability.

The company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

##### (b) Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

##### (c) Liquidity risk

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in note 9. These payables are payable within a year.



**BLOCKCHAIN WORLDWIDE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**13. FINANCIAL INSTRUMENTS (Continued)**

**CATEGORIES OF FINANCIAL INSTRUMENTS**

The IFRS 9 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets:</b>		
Cash and bank balances	1,018,415	1,412,288
	<u>                    </u>	<u>                    </u>
<b>Financial liabilities at amortised cost:</b>		
Trade and other payables	25,994	40,409
	<u>                    </u>	<u>                    </u>

**14. ULTIMATE CONTROLLING PARTY**

The directors do not consider there to be one ultimate controlling party.

**15. CONTINGENT LIABILITIES**

On 23 May 2019, the company announced it had made a non-legally binding offer to acquire the entire share capital of Entertainment AI Inc. The company entered into a number of engagements with professional advisors prior to the year-end as a result of this proposed transaction but any financial obligation falls due only on completion of a successful transaction and therefore no provision has been made as at 30 June 2019.